

FIFTEEN YEAR (1964 thru 1978) PROJECTION OF LOSSES OF
PROFESSIONAL PERSONNEL OF THE CAREER SERVICES
OF DD/P, DD/I, and DD/S

INTRODUCTION

This report - the third in a series dealing with long-range projections of professional personnel losses - selects for special study all staff personnel in the 3 major directorates who on 31 December 1963 were GS-12 or above and also age 40 or more. The report then predicts, by 5-year intervals from 1963 to 1978, losses among these groups from all causes - retirement, resignation, death, or reassignment (however reassignments among directorates, in the long run, very nearly cancel each other).

Employees in the 40+ age and GS-12+ grade group were selected for special study because they represent substantially all the key, experienced members of their directorates. The rate and pace at which they leave CIA will have great significance in the long-range planning to recruit, train, and develop their successors.

Three 15-year projections have been made, one for each of the three major directorates. DD/S&T was not included in the study because of its recent establishment and relatively small size.

BACKGROUND

While there are many influences that comprise attrition, the most important for career professionals are those which affect retirement. For that reason, the first two reports in this series dealt primarily with the elements that exert the greatest influence on retirements among our professionals:

1. their age distribution, and particularly increases in average age that have been occurring in recent years;
2. their Federal service records - which show progressively increasing averages each year; and
3. changes and pending changes to increase salary scales and liberalize retirement benefits, thus encouraging earlier retirements.

The two earlier reports called attention to the fact that one set of forces stemming from the elements noted above is operating to retard retirements over the near-term, while a second set of different forces stemming from the same elements will in due course accelerate retirements. Presently retarding influences were said to include: (1) the relatively small number of Agency professionals now above age 50, (2) the comparatively short Federal service of most employees now over age 50, and (3) the new salary scales effective 5 January 1964 which will produce sharply higher annuities for employees who defer retirement long enough to build up their "high 5's".

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The factors which in due course will accelerate retirements were said to be: (1) the relatively high number of Agency employees now in the 40-50 age bracket, (2) the comparatively long Federal service most of these 40-50 year olds will have when they begin considering retirement, (3) the higher annuities available in 5 years as a result of the new pay scale, and (4) pending legislation (CIA's early retirement bill and the "55-30" Civil Service Retirement Bill) which, when passed, will make early retirement more attractive.

The question was then asked: "what will happen when these two sets of forces, one retarding present retirements and the other accelerating future retirements, converge?" This report and others to follow will try, among other things, to answer that question.

ASSUMPTIONS

The following general assumptions were made with respect to all three attached projections:

1. During the 15-year period of the projection no radical increases in attrition rates will occur because of RIF's or other forced attrition.
2. Additions to the special group covered by this study will be minimal - i.e., additions through promotion, transfer, or lateral recruitment of employees GS-12 and above who on 31 December 1963 were at least 40 years of age.
3. Current Agency retirement policies (which anticipate retirement at age 60 with 30 years service, or age 62 otherwise) will continue and during the latter half of the projection period will become increasingly effective so that relatively few exceptions occur.
4. Within the next 5 years both the "55-30" Civil Service Retirement Act and the CIA Retirement Act will become law. The former will influence some retirement decisions but its overall effect on attrition will be slight. However, effects of the CIA Act will be quite significant, sufficiently so in DD/P and DD/S to warrant separate treatment in the attached projections.

In addition, the following special assumptions are incorporated in the projections:

5. The trend of increasing attrition rates during the past 4 fiscal years (FY '60-'63) for Agency employees in age groups above 40 will continue, and will set the basic attrition pattern during the 15-year period of this projection.
6. However, the influence of recent pay raises on retirements and resignations will cause the trend of increasing attrition rates to be retarded moderately during the 5-year period from 1963-1968.

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7. For the remaining 10 years of the projection (1969-1978) the trend in attrition rates will continue upward at a gradually accelerating pace due to the combination of factors (longer Federal service, better "high-5's", and liberalized legislation) that will then make early retirement more attractive to members of the study group.

OBSERVATIONS

TAB A DD/P Projection of Losses

1. On 31 December 1963 DD/P had [REDACTED] staff personnel who were GS-12 or above and also age 40 or more. Practically all of them had at least 10 years of Federal Service. They were distributed by age groups as follows:

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	Age 40-44	Age 45-49	Age 50-54	Age 55-59	Age 60+
<u>Number in Group</u>	[REDACTED]				
<u>Ave. years Fed. Serv. (est)</u>	17.2	18.8	19.9	19.7	19.1

25X9

This group contained 64% of all DD/P personnel above GS-11 including:

- all but 1 of the [REDACTED] supergrades
- all but 24 of the [REDACTED] GS-15's
- all but 115 of the [REDACTED] GS-14's

25X9A2

2. Within the next 10 years DD/P can expect to lose 62% of this study group, including 7% who step up departures because of CIA's early retirement legislation. Within 15 years 90% of the group will be gone, including 10% who will be "early retirees."

3. DD/P now has relatively few employees over age 55 and most of them remain with the Agency until after they reach 60. However, during the projection period this situation is going to change substantially in both respects: (a) DD/P will have far more employees age 55+, but (b) most of them will leave the Agency between 55-59 rather than after reaching 60. This "compaction" of losses in the 55-59 age group will begin to appear about 1970-1971 and then pick up momentum as large number of employees who began their Federal careers during WWII reach the point at which age, length-of-service, and other factors combine to make retirement attractive.

4. In 1978 all employees in the study group who are still on duty will be age 55 or more. Some of the long-range implications of CIA's early retirement act can be gauged by examining the composition of this group.

Number Remaining 31 Dec 1978
Age 55-59 Age 60+

With CIA Early Retirement
Without CIA Early Retirement

25X9

TAB B — DD/I Projection of Losses

1. On 31 December 1963 DD/I had [REDACTED] staff personnel who were GS-12 or above and also age 40 or more. Substantially all of them had 10 or more years of Federal service. By age groups, they were distributed:

25X9

	<u>Age</u> <u>40-44</u>	<u>Age</u> <u>45-49</u>	<u>Age</u> <u>50-54</u>	<u>Age</u> <u>55-59</u>	<u>Age</u> <u>60+</u>
<u>Number in Group</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>Ave. Years Fed. Serv. (est.)</u>	17.0	18.5	20.3	22.9	20.1

25X9

This group contained 67% of all DD/I personnel above GS-11 including:

- all but 2 of the [REDACTED] supergrades
- all but 18 of the [REDACTED] GS-15's
- all but 61 of the [REDACTED] GS-14's

25X9A2

2. 50% of the DD/I study group will have separated within 10 years and 82% within 15 years.

3. In 1978 the remaining members of the group will all be age 55 or more. The projection anticipates that [REDACTED] of them will be age 55-59 and [REDACTED] will be age 60 or more.

25X9
25X9

4. A higher proportion of the DD/I study group is presently over age 55 than is true with DD/P, and most of them now remain with the Agency until after they reach 60. Not many DD/I members will be affected by CIA's early retirement. Therefore, although the same kinds of changes in age groupings and retirement patterns projected for DD/P will occur in DD/I, they will be less in degree. During the projection period DD/I: (a) will have somewhat larger numbers of employees age 55+, and (b) most of them will leave the Agency between 55-59 rather than after reaching 60. This "compaction" of losses in the 55-59 age group will begin to appear about 1970-71 and then pick up momentum, as was indicated for DD/P; however, the degree of "compaction" will be somewhat less than in DD/P because of the small number of DD/I members opting for CIA early retirement.

TAB C — DD/S Projection of Losses

1. On 31 December 1963 DD/S had [REDACTED] staff personnel who were GS-12 or above and also age 40 or more. Practically all of them had at least 10 years of Federal service. They were distributed by age groups as follows:

25X9

	<u>Age</u> <u>40-44</u>	<u>Age</u> <u>45-49</u>	<u>Age</u> <u>50-54</u>	<u>Age</u> <u>55-59</u>	<u>Age</u> <u>60+</u>
<u>Number in Group</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>Ave. Years Fed. Serv. (est.)</u>	17.5	19.5	20.9	21.8	20.8

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This group contained 69% of all DD/S personnel above GS-11 including:

- all but 3 of the [redacted] supergrades
- all but 12 of the [redacted] GS-15's
- all but 35 of the [redacted] GS-14's

25X9A2

2. 62% of the DD/S study group will have separated within 10 years, including 5% who step up departures because of CIA's early retirement legislation. Within 15 years 91% will be gone, including 6% who will be "early retirees."

3. In 1978 all remaining members of the study group will, of course, be age 55 or more; the projection anticipates the following:

Number Remaining 31 Dec 1978	
Age 55-59	Age 60+
[redacted]	[redacted]

- With CIA Early Retirement
- Without CIA Early Retirement

25X9

4. Observations about changes in age grouping and retirement patterns projected for DD/P are also generally applicable to DD/S. During the projection period DD/S: (a) will have substantially more employees above age 55, and (b) most of them will leave the Agency between 55-59 rather than after 60. The "compaction" of losses in the 55-59 age group beginning about 1970-71 will also follow the pattern noted in DD/P.

CONCLUSIONS

The attached Tabs indicate that the relatively low attrition the Agency has experienced among its middle and senior level personnel will continue for the next five years or so. Then, during the remainder of the projection period two factors will begin converging to produce sharply higher losses among employees age 55 and above:

1. increasingly large numbers of employees moving each year into the 55+ age bracket, and
2. a "compaction" occurring in retirement rates, particularly among 55-59 year olds, as large numbers of employees who began their Federal career during WWII reach the point at which age, length-of-service, and other factors combine to make retirement attractive.

The Tabs predict that within 15 years CIA will lose almost 90% of all its employees who at the beginning of this year were GS-12 or above and 40 or more years of age. In many organizations that would not be a surprising or particularly disturbing statistic. But in CIA, which has long enjoyed so few losses among its key people, this portends some decided changes.

The principal significance of this report lies, therefore, in its gauge of the challenge which the Agency must meet in producing adequate numbers of key personnel, and especially senior executives, who will be required to move up to preserve and develop the Agency's key people.

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